

AMENDED IN SENATE APRIL 2, 2009

SENATE BILL

No. 338

Introduced by Senator Alquist

February 25, 2009

An act to amend Sections 26001, 26002, and 26003 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 338, as amended, Alquist. Energy: California Alternative Energy and Advanced Transportation Financing Authority.

The California Alternative Energy and Advanced Transportation Financing Authority Act creates the Alternative Energy and Advanced Transportation Financing Authority and requires the authority to establish a renewable energy program to provide financial assistance to specified entities to generate new and renewable energy sources, develop clean and efficient distributed generation, and demonstrate the economic feasibility of new technologies. *The act defines "cost," "project," and "revenue" for the purposes of the act.*

~~This bill would state the intent of the Legislature to enact legislation related to the authority and renewable energy companies~~ *additionally define "project" to include renewable energy technologies, and would make conforming changes.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *Section 26001 of the Public Resources Code is*
2 *amended to read:*

1 26001. The Legislature hereby finds and declares all of the
2 following:

3 (a) It is essential that the state, in cooperation with the federal
4 government, use all practical and commercially feasible means to
5 promote the prompt and efficient development of energy sources
6 ~~which that~~ are renewable or ~~which that~~ more efficiently utilize
7 and conserve scarce energy resources.

8 (b) The promotion of energy sources ~~which that~~ reduce the
9 degradation of the environment and ~~which that~~ protect the health,
10 welfare, and safety of the people of this state is in the public interest
11 and serves a public purpose.

12 (c) It is essential that the state, in cooperation with the federal
13 government, use all practical and commercially feasible means to
14 promote the development and commercialization of advanced
15 transportation technologies *and the manufacturing of renewable*
16 *technology* to conserve energy, reduce air pollution, promote
17 economic development and jobs, and protect the health, welfare,
18 and safety of the people of the state.

19 *SEC. 2. Section 26002 of the Public Resources Code is amended*
20 *to read:*

21 26002. (a) It is the purpose of this division to carry out and
22 make effective the findings of the Legislature pursuant to Sections
23 25004, 25004.2, 25004.3, 25007, and 26001, and to that end to
24 provide industry within this state with an alternative method of
25 financing in providing and promoting the establishment of both
26 of the following:

27 (1) Facilities utilizing alternative methods and sources of energy.

28 (2) Facilities needed for the development and commercialization
29 of advanced transportation technologies *and renewable energy*
30 *technologies*.

31 (b) The Legislature hereby finds and declares that the facilities
32 specified in subdivision (a) are necessary to meet the energy and
33 transportation needs of this state and to guarantee the health and
34 welfare of the citizens of this state.

35 *SEC. 3. Section 26003 of the Public Resources Code is amended*
36 *to read:*

37 26003. As used in this division, unless the context otherwise
38 requires:

39 (a) “Authority” means the California Alternative Energy and
40 Advanced Transportation Financing Authority established pursuant

to Section 26004, and any board, commission, department, or officer succeeding to the functions of the authority, or to which the powers conferred upon the authority by this division shall be given.

(b) “Cost” as applied to a project or portion thereof financed under this division means all or part of the cost of construction and acquisition of all lands, structures, real or personal property or an interest therein; *and in* rights, rights-of-way, franchises, easements, and interests acquired or used for a project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which those buildings or structures may be moved; the cost of all machinery, equipment, and furnishings, financing charges, interest prior to, during, and for a period after, completion of construction as determined by the authority; the cost of the purchase or sale of energy derived from an alternative source pursuant to subdivision (g) of Section 26011; provisions for working capital; reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial, accounting, auditing and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction, acquisition, or financing of a project.

(c) (1) “Alternative sources” means the application of cogeneration technology, as defined in Section 25134; the conservation of energy; or the use of solar, biomass, wind, geothermal, hydroelectricity under 30 megawatts, or any other source of energy, the efficient use of which will reduce the use of fossil and nuclear fuels, and is intended primarily to offset part or all of the customer’s own electrical requirements.

(2) “Alternative sources” does not include a hydroelectric facility that does not meet state laws pertaining to the control, appropriation, use, and distribution of water, including, but not limited to, the obtaining of applicable licenses and permits.

(d) “Advanced transportation technologies” means emerging commercially competitive transportation-related technologies identified by the authority as capable of creating long-term, high value-added jobs for Californians while enhancing the state’s commitment to energy conservation, pollution reduction, and

1 transportation efficiency. Those technologies may include, but are
2 not limited to, any of the following:

- 3 (1) Intelligent vehicle highway systems.
- 4 (2) Advanced telecommunications for transportation.
- 5 (3) Command, control, and communications for public transit
- 6 vehicles and systems.
- 7 (4) Electric vehicles and ultralow-emission vehicles.
- 8 (5) High-speed rail and magnetic levitation passenger systems.
- 9 (6) Fuel cells.

10 (e) “Financial assistance” includes, but is not limited to, either,
11 or any combination, of the following:

- 12 (1) Loans, loan loss reserves, interest rate reductions, proceeds
- 13 of bonds issued by the authority, insurance, guarantees or other
- 14 credit enhancements or liquidity facilities, contributions of money,
- 15 property, labor, or other items of value, or any combination thereof,
- 16 as determined by, and approved by the resolution of, the ~~board~~
- 17 *authority*.

18 (2) Any other type of assistance the authority determines is
19 appropriate.

20 (f) “Participating party” means either of the following:

21 (1) A person or an entity or group of entities engaged in business
22 or operations in the state, whether organized for profit or not for
23 profit, that does either of the following:

24 (A) Applies for financial assistance from the authority for the
25 purpose of implementing a project in a manner prescribed by the
26 authority.

27 (B) Participates in the purchase or sale of energy derived from
28 an alternative source pursuant to subdivision (g) of Section 26011.

29 (2) A public agency or nonprofit corporation that does either of
30 the following:

31 (A) Applies for financial assistance from the authority for the
32 purpose of implementing a project in a manner prescribed by the
33 authority.

34 (B) Participates in the purchase or sale of energy derived from
35 an alternative source pursuant to subdivision (g) of Section 26011.

36 (g) “Project” means a land, building, improvement to the land
37 or building, rehabilitation, work, property, or structure, real or
38 personal, stationary or mobile, including, but not limited to,
39 machinery and equipment, whether or not in existence or under
40 construction, that utilizes, or is designed to utilize, an alternative

1 source, or that is utilized for the design, technology transfer,
2 manufacture, production, assembly, distribution, or service of
3 advanced transportation technologies *or renewable energy*
4 *technologies*, or an arrangement for the purchase, including
5 prepayment, or sale of energy derived from an alternative source
6 pursuant to subdivision (g) of Section 26011.

7 (h) “Public agency” means a federal or state agency, department,
8 board, authority, state or community college, university, or
9 commission, or a county, city and county, city, regional agency,
10 public district, school district, or other political entity.

11 (i) (1) “Renewable energy” means a device or technology that
12 conserves or produces heat, processes heat, space heating, water
13 heating, steam, space cooling, refrigeration, mechanical energy,
14 electricity, or energy in any form convertible to these uses, that
15 does not expend or use conventional energy fuels, and that uses
16 any of the following electrical generation technologies:

17 (A) Biomass.

18 (B) Solar thermal.

19 (C) Photovoltaic.

20 (D) Wind.

21 (E) Geothermal.

22 (2) For purposes of this subdivision, “conventional energy fuel”
23 means any fuel derived from petroleum deposits, including, but
24 not limited to, oil, heating oil, gasoline, fuel oil, or natural gas,
25 including liquefied natural gas, or nuclear fissionable materials.

26 (3) Notwithstanding paragraph (1), for purposes of this section,
27 “renewable energy” also means ultralow-emission equipment for
28 energy generation based on thermal energy systems such as natural
29 gas turbines and fuel cells.

30 (j) “Revenue” means all rents, receipts, purchase payments,
31 loan repayments, and all other income or receipts derived by the
32 authority from a project, or the sale, lease, or other disposition of
33 alternative source or advanced transportation technology facilities,
34 or the making of loans to finance alternative source or advanced
35 transportation technology facilities *or renewable energy*
36 *technologies*, and any income or revenue derived from the
37 investment of money in any fund or account of the authority.

38 ~~SECTION 1. It is the intent of the Legislature to enact~~
39 ~~legislation related to the California Alternative Energy and~~

- 1 ~~Advanced Transportation Financing Authority and renewable~~
- 2 ~~energy companies.~~

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